

**DEPARTMENT OF SOCIAL SERVICES**

744 P Street, Sacramento, CA 95814



April 23, 2004

## ERRATA FOR CDSS MANUAL LETTER NO. EAS-98-03

TO: HOLDERS OF THE EAS MANUAL

This manual letter has been posted on the Office of Regulations Development website at [http://www.dss.cahwnet.gov/ord/Eligibilit\\_617.htm](http://www.dss.cahwnet.gov/ord/Eligibilit_617.htm).

In the above-referenced manual letter, some of the pages were missing text. We apologize for any inconvenience this may have caused.

**FILING INSTRUCTIONS**

**For all pages in this manual letter, revisions are indicated by a vertical line in the left margin. Revisions shown in graphic screen will continue to be shown in that manner on the other pages of this manual until those pages are released in a manual letter.** The attached pages are to be entered in your copy of the Manual of Policies and Procedures.

Page(s)Replace(s)

505 and 506

Pages 505 and 506

Attachments

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<b>44-350</b>	<b>OVERPAYMENTS -- GENERAL (Continued)</b>	<b>44-350</b>
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- i) Month of Discovery - The month of discovery is the month in which the county obtained, or could have obtained by taking prompt action, information sufficient to support a determination both that an overpayment occurred and the amount of such overpayment.
- j) Nonfraudulent Overpayment - An overpayment which is not determined to be fraudulent pursuant to MPP 20-003.1.

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**HANDBOOK BEGINS HERE**

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MPP 20-003.1 provides that fraud exists when a person, on behalf of himself or others, has:

- (1) Knowingly and with intent to deceive or defraud made a false statement or representation to obtain benefits, obtain a continuance or increase of benefits, or avoid a reduction of benefits.
- (2) Knowingly and with intent to defraud failed to disclose a fact which, if disclosed, could have resulted in denial, reduction, or discontinuance of benefits.
- (3) Accepted benefits knowing he/she is not entitled thereto, or accepted any amount of benefits knowing it is greater than the amount to which he/she is entitled.
- (4) For the purpose of obtaining, continuing, or avoiding a reduction or denial of benefits, made statements which he/she did not know to be true with reckless disregard of the truth.

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**HANDBOOK ENDS HERE**

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- k) Recovery - Grant adjustment, voluntary grant offset, voluntary cash recovery, demand for repayment, action for civil judgment and balancing.
- l) Unlocatable - Means either of the following:
  - (1) When the county is unable to determine the physical whereabouts of the caretaker relative; or
  - (2) When the county is able to locate the caretaker relative, but unable to execute a legal process to collect.
- m) Voluntary Cash Recovery - Repayment voluntarily made to the county by a recipient who has incurred an overpayment.
- n) Voluntary Grant Offset - Voluntary repayment made to the county by a recipient's foregoing all or a portion of a grant for which he or she is eligible.

<b>44-350</b>	<b>OVERPAYMENTS -- GENERAL (Continued)</b>	<b>44-350</b>
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.3 Investigation of Overpayments

When information indicates that an overpayment may have occurred, the county shall take the following actions:

- .31 Review the eligibility and grant factors to find what the correct grant amount should have been;
- .32 Calculate the overpayment;
- .33 Determine from whom the overpayment may be recovered (see Section 44-352.3);
- .34 Determine the appropriate recovery method and the amount to be recovered.
- .35 If appropriate (see Section 44-352.5), initiate any referrals to the SIU for an investigation.

.4 Aid Paid Pending

Aid paid pending a state hearing decision (see Section 22-022) is a recoverable overpayment except to the extent that the claim is granted. However, the amount of a proposed overpayment adjustment which is stopped because of a recipient's timely request for a state hearing is not an overpayment.

NOTE: Authority cited: Sections 10553 and 10554, Welfare and Institutions Code. Reference: Sections 11004 (Ch. 270, Stats. 1997), and 11056, Welfare and Institutions Code; 45 CFR 233.20(a)(13); and Administration for Children and Families (ACF) Action Transmittals (AT) 94-11 and 94-20.

<b>44-351</b>	<b>METHODS OF OVERPAYMENT RECOVERY</b>	<b>44-351</b>
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In addition to grant adjustment and demand for repayment which are discussed in Section 44-352.4 the following methods of recovery apply to all overpayments:

.1 Voluntary Cash Recoveries

Voluntary cash recovery should be explained by the county to a recipient (or former recipient) but no request for voluntary payment should be made.

- .11 If a recipient or former recipient offers to repay all or a portion of an overpayment which is not subject to grant adjustment or a demand for repayment and action for civil judgment, the following apply:
  - .111 An agreement made with the recipient shall be in writing and shall clearly indicate to the individual that the repayment is voluntary.